

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

9032
RECEIVED
LEGISLATIVE AUDITOR
95 SEP -5 PM 2:59

NEW ORLEANS REDEVELOPMENT AUTHORITY

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 18 1996

FINANCIAL AND COMPLIANCE AUDIT

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS-- COMBINED BALANCE SHEET--DECEMBER 31, 1995 WITH COMPARATIVE TOTALS FOR 1994	3
GOVERNMENTAL FUND TYPES--COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/EQUITY-- FOR THE YEAR ENDED DECEMBER 31, 1995 WITH COMPARATIVE TOTALS FOR 1994	5
GENERAL AND SPECIAL REVENUE FUNDS-- COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/EQUITY-- BUDGET AND ACTUAL--FOR THE YEAR ENDED DECEMBER 31, 1995	7
NOTES TO THE COMBINED FINANCIAL STATEMENTS	8
 <u>SUPPLEMENTARY INFORMATION:</u>	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	20
 EXHIBITS:	
A. General Fund--Combining Balance Sheet December 31, 1995 with Comparative Totals for 1994	21
B. General Fund--Combining Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended December 31, 1995 with Comparative Totals for 1994	23
C. General Fund--Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual For the Year Ended December 31, 1995	24
D. Special Revenue Funds--Combining Balance Sheet December 31, 1995 with Comparative Totals for 1994	25

TABLE OF CONTENTS, CONTINUED

PAGE

EXHIBITS, CONTINUED:

E.	Special Revenue Funds--Combining Statement of Revenues, Expenditures and Changes in Fund Balances/Equity-- For the Year Ended December 31, 1995 with Comparative Totals for 1994	29
F.	Special Revenue Funds: Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)/Equity --Budget and Actual For the Year ended December 31, 1995	31
F-1	Blighted Properties Administrative Fund	
F-2	Housing Development Coordination and Production Fund	
F-3	FW-2201--Project LA 48-0060-001	
F-4	FW-2147--Project LA 48-K218-001	
F-5	FW-2147--Project LA 48-K218-002	
F-6	FW-2147--Project LA 48-K218-005	
F-7	FW-2147--Project LA 48-K218-006	
F-8	FW-2296E--Project LA 48-E218-001	
G.	General Fixed Assets Account Group Schedule of General Fixed Assets--December 31, 1995 with Comparative Totals for 1994	39
H.	General Long-Term Obligations-- December 31, 1995 with Comparative Totals for 1994	40

SCHEDULES:

I.	Combining Balance Sheet--HUD Basis-- Annual Contribution Contracts Fund December 31, 1995	41
----	---	----

TABLE OF CONTENTS, CONTINUED

PAGE

SCHEDULES--SUPPLEMENTARY INFORMATION, CONTINUED:

II.	Combining Statement of Revenue, Expenditures and Changes in Surplus--HUD Basis--Annual Contribution Contracts Fund For the Year Ended December 31, 1995	43
III.	Analysis of Surplus--HUD Basis-- Annual Contribution Contracts Fund December 31, 1995	45
IV.	Analysis of General Fund Cash Balance-- HUD Basis--Annual Contribution Contracts Funds December 31, 1995	47
V.	Computation of Annual Contribution Earned and Project Account --Operating Reserve Changes--Annual Contribution Contract Fund FW-2147 Project LA 48-K218-001 December 31, 1995	48
VI.	Computation of Annual Contribution Earned and Project Account--Operating Reserve Changes--Annual Contribution Contract Fund FW-2147 Project LA 48-K218-002 December 31, 1995	49
VII.	Computation of Annual Contribution Earned and Project Account--Operating Reserve Changes--Annual Contribution Contract Fund FW-2147 Project LA 48-K218-005 December 31, 1995	50
VIII.	Computation of Annual Contribution Earned and Project Account--Operating Reserve Changes--Annual Contribution Contract Fund FW-2147 Project LA 48-K218-006 December 31, 1995	51

TABLE OF CONTENTS, CONTINUED

PAGE

**SCHEDULES--SUPPLEMENTARY INFORMATION,
CONTINUED:**

IX. Computation of Annual Contribution Earned and Project Account--Operating Reserve Changes--Annual Contribution Contract Fund FW-2201 Project LA 48-0060-001 December 31, 1995	52
X. Computation of Annual Contribution Earned and Project Account--Operating Reserve Changes--Annual Contribution Contract Fund FW-2296E Project LA 48-E218-001	53
XI. Combined Statement of Cash Receipts and Disbursements For the Year Ended December 31, 1995	54
XII. Schedule of Federal Financial Assistance For the Year Ended December 31, 1995	55
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	56
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS	59
SCHEDULE OF REPORTABLE CONDITIONS	63
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS, GRANTS, CONTRACTS AND REGULATIONS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	76

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 70130

Manager
U.S. Department of Housing
and Urban Development
501 Magazine Street
New Orleans, LA 70130

We have audited the combined financial statements as listed in the Table of Contents of the New Orleans Redevelopment Authority (the Authority) as of and for the year ended December 31, 1995. These combined financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-128, Audits of State and Local Governments. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

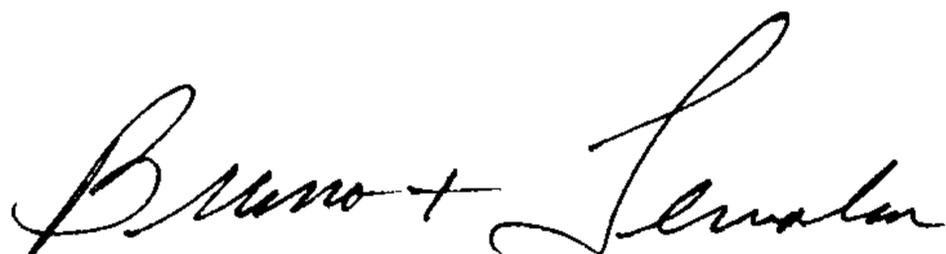
In our opinion, the combined financial statements as listed in the Table of Contents present fairly, in all material respects the combined financial position of the New Orleans Redevelopment Authority as of December 31, 1995 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
New Orleans Redevelopment
Authority
Page 2

In accordance with Government Auditing Standards, we have also issued a report dated June 14, 1996 on our consideration of the Authority's internal control structure and a report dated June 14, 1996 on its compliance with laws and regulations.

This report is intended for the information of the Board of Commissioners and management of New Orleans Redevelopment Authority and the U.S. Department of Housing and Urban Development and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

Bruno

& Tervalon

CERTIFIED PUBLIC ACCOUNTANTS

NEW ORLEANS REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	<u>GOVERNMENTAL FUND TYPES</u>		<u>ACCOUNT GROUPS</u>		<u>Totals</u>	
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>1995</u>	<u>(Memorandum Only) 1994</u>
ASSETS						
Cash and temporary cash investments (NOTES 4 and 9)	\$ 84,872	\$ 437,336	\$ -0-	\$ -0-	\$ 522,208	\$ 286,329
Amounts receivable (NOTE 3)	159,903	102,304	-0-	-0-	262,207	247,507
Amounts receivable-HUD	-0-	30,912	-0-	-0-	30,912	30,443
Note receivable	-0-	49,000	-0-	-0-	49,000	49,000
Advance	40,000	-0-	-0-	-0-	40,000	40,000
Grants receivable	-0-	128,692	-0-	-0-	128,692	65,497
Due from other funds (NOTE 7)	374,681	442,708	-0-	-0-	817,389	1,000,465
Land and equipment (NOTE 5)	-0-	-0-	64,085	-0-	64,085	64,085
Amounts to be provided for retirement of obligations	-0-	-0-	-0-	32,569	32,569	30,359
Total assets	<u>\$659,456</u>	<u>\$1,190,952</u>	<u>\$ 64,085</u>	<u>\$32,569</u>	<u>\$1,947,062</u>	<u>\$1,813,685</u>
LIABILITIES AND FUND BALANCE						
Amounts payable	\$161,350	\$ 15,650	\$ -0-	\$ -0-	\$ 177,000	\$ 73,902
Advances--City of New Orleans	68,281	-0-	-0-	-0-	68,281	68,281
Due to other funds (NOTE 7)	142,185	675,204	-0-	-0-	817,389	1,000,465
Due to City of New Orleans	208,162	178,501	-0-	-0-	386,663	356,109
Accrued and other liabilities	26,327	41,895	-0-	-0-	68,222	84,099
Deferred revenue	-0-	2,307	-0-	-0-	2,307	-0-
Amounts payable-HUD	-0-	185,349	-0-	-0-	185,349	29,634
Compensated absences payable	-0-	-0-	-0-	32,569	32,569	30,359
Total liabilities	<u>606,305</u>	<u>1,098,906</u>	<u>-0-</u>	<u>32,569</u>	<u>1,737,780</u>	<u>1,642,849</u>

The accompanying notes are an integral part of the combined financial statements.

NEW ORLEANS REDEVELOPMENT AUTHORITY
 GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 (CONTINUED)
 DECEMBER 31, 1995
 (WITH COMPARATIVE TOTALS FOR 1994)

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		Totals	
	General Fund	Special Revenue Funds	General Fixed Assets	General Long-Term Obligations	1995	(Memorandum Only) 1994
<u>FUND EQUITY AND BALANCES</u>						
<u>Fund equity</u>						
Investment in general fixed assets-special revenue fund	\$ -0-	\$ -0-	\$ 64,085	\$ -0-	\$ 64,085	\$ 64,085
	-0-	-0-	64,085	-0-	64,085	64,085
<u>Fund balances (deficits)</u>						
Unreserved	40,441	(84,248)	-0-	-0-	(43,807)	(54,546)
Reserved (NOTES 6 and 9)	<u>12,710</u>	<u>176,294</u>	<u>-0-</u>	<u>-0-</u>	<u>189,004</u>	<u>161,297</u>
Total fund balances (deficits)	<u>53,151</u>	<u>92,046</u>	<u>-0-</u>	<u>-0-</u>	<u>145,197</u>	<u>106,751</u>
Total fund equity and balances	<u>53,151</u>	<u>92,046</u>	<u>64,085</u>	<u>-0-</u>	<u>209,282</u>	<u>170,836</u>
Total liabilities and fund equity and balances	<u>\$659,456</u>	<u>\$ 1,190,952</u>	<u>\$ 64,085</u>	<u>\$ 32,569</u>	<u>\$ 1,947,062</u>	<u>\$ 1,813,685</u>

The accompanying notes are an integral part of the combined financial statements.

NEW ORLEANS REDEVELOPMENT AUTHORITY
GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND

CHANGES IN FUND BALANCES/EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

<u>GOVERNMENTAL FUND TYPES</u>	<u>Totals</u> (Memorandum Only)	
General Fund	1995	1994
<u>OPERATING REVENUE</u> Grants and subsidies Interest on investments Sale of land Other Total revenues	\$ 4,439,501 9,562 -0- -0- 40 4,449,103	\$4,380,934 7,515 1,330 -0- 40 4,389,779
<u>EXPENDITURES</u> Salaries and employee benefits Occupancy Repairs and maintenance Contractual services Equipment and supplies Housing assistance payments Page total	-0- -0- -0- -0- -0- -0- -0- 4,357,308	365,072 25,383 3,849 62,949 12,241 3,887,814 3,887,814 4,357,308

The accompanying notes are an integral part of the combined financial statements.

GOVERNMENTAL FUND TYPES
 NEW ORLEANS REDEVELOPMENT AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND

CHANGES IN FUND BALANCES/EQUITY
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 1995
 (WITH COMPARATIVE TOTALS FOR 1994)

	<u>GOVERNMENTAL FUND TYPES</u>		Totals
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>(Memorandum Only)</u>
	1995	1994	1994
<u>EXPENDITURES</u> , CONTINUED			
Convention and travel	\$ -0-	\$ 12,206	\$ 13,615
Telephone and postage	-0-	4,128	6,010
Cost of land sold	-0-	-0-	1,330
Other expenditures	<u>-0-</u>	<u>22,516</u>	<u>12,517</u>
Total expenditures	<u>-0-</u>	<u>4,396,158</u>	<u>4,356,052</u>
Excess of revenues over expenditures (NOTE 8)	-0-	52,945	33,727
Fund balances/equity, beginning of year	53,151	106,751	73,024
Adjustment to beginning fund balance/equity	<u>-0-</u>	<u>(14,499)</u>	<u>-0-</u>
Fund balances/equity, end of year	<u>\$ 53,151</u>	<u>\$ 92,046</u>	<u>\$ 106,751</u>

The accompanying notes are an integral part of the combined financial statements.

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES/EQUITY
BUDGET AND ACTUAL--
FOR THE YEAR ENDED DECEMBER 31, 1995

	GENERAL FUND			SPECIAL REVENUE FUND			TOTALS MEMORANDUM ONLY		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenue	\$ -0-	\$ -0-	\$-0-	\$5,253,241	\$4,439,501	\$(813,740)	\$5,253,241	\$4,439,501	\$(813,740)
Grants and subsidies	-0-	-0-	-0-	-0-	9,562	9,562	-0-	9,562	9,562
Interest on investments	-0-	-0-	-0-	-0-	40	40	-0-	40	40
Other	-0-	-0-	-0-	5,253,241	4,449,103	(804,138)	5,253,241	4,449,103	(804,138)
Total revenues	-0-	-0-	-0-	465,327	365,072	100,255	465,327	365,072	100,255
Expenditures	-0-	-0-	-0-	16,600	25,383	(8,783)	16,600	25,383	(8,783)
Salaries and employee benefits	-0-	-0-	-0-	1,500	3,849	(2,349)	1,500	3,849	(2,349)
Occupancy	-0-	-0-	-0-	121,133	62,949	58,184	121,133	62,949	58,184
Repairs and maintenance	-0-	-0-	-0-	12,923	12,241	682	12,923	12,241	682
Contractual services	-0-	-0-	-0-	4,609,248	3,887,814	721,434	4,609,248	3,887,814	721,434
Equipment and supplies	-0-	-0-	-0-	9,605	12,206	(2,601)	9,605	12,206	(2,601)
Housing assistance payments	-0-	-0-	-0-	3,800	4,128	(328)	3,800	4,128	(328)
Convention and travel	-0-	-0-	-0-	13,105	22,516	(9,411)	13,105	22,516	(9,411)
Telephone and postage	-0-	-0-	-0-	5,253,241	4,396,158	857,083	5,253,241	4,396,158	857,083
Other expenditures	-0-	-0-	-0-	-0-	52,945	52,945	-0-	52,945	52,945
Total expenditures	-0-	-0-	-0-	53,600	53,600	-0-	53,600	53,600	-0-
Excess of revenues over expenditures	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund balances/equity, beginning of year	53,151	53,151	-0-	-0-	14,499	(14,499)	-0-	14,499	(14,499)
Adjustment to beginning fund balances/equity	-0-	-0-	-0-	\$ 53,600	\$ 92,046	\$ 38,446	\$ 106,751	\$ 145,197	\$ 38,446
Fund balances/equity, end of year	\$53,151	\$53,151	\$-0-	\$ 53,600	\$ 92,046	\$ 38,446	\$ 106,751	\$ 145,197	\$ 38,446

The accompanying notes are an integral part of the combined financial statements.

NEW ORLEANS REDEVELOPMENT AUTHORITY

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1 - Background and General Data:

Background

The New Orleans Redevelopment Authority (the Authority or NORA) exists under the authority contained in Act No. 170, as amended, as passed by the Louisiana Legislature in 1968. The Authority was formulated as a program by the City of New Orleans for the utilization of appropriate private and public resources to eliminate and prevent the development or spread of slums; to provide decent, safe and sanitary dwellings for families of low income; to allow the creation and organization of a community improvement agency; to allow the rehabilitation, clearance and redevelopment of slums and blighted areas in the City of New Orleans in accordance with community improvement plans or projects approved by the governing body of the City of New Orleans; to define the duties, liabilities, exemptions, authority and functions of such community improvement agency, including the acquisition of property by negotiation, gift or expropriation, the disposition of property by sale or lease, the issuance of bonds, borrowing of money and giving of security therefore and to allow bonds issued to be legal investments for banks and fiduciaries; to provide for notice and hearing; to authorize entering into agreements to secure Federal aid; to authorize public bodies to furnish funds, services facilities and property in aid of community improvement projects and related activities hereunder; and to provide that securities issued and properties while held by the New Orleans Redevelopment Authority shall be exempt from taxation.

On July 7, 1994, the Louisiana Legislature passed Act No. 65 which amended Act No. 170 that created the New Orleans Redevelopment Authority. Act No. 65 effectively changed the name of the Community Improvement Agency to New Orleans Redevelopment Authority. In addition, the Board of Commissioners also adopted a resolution approving the name change.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General

As of December 31, 1995, the Authority was primarily engaged in the following programs:

- o Section 8 - Moderate Rehabilitation Program
- o Blighted Property Removal Program
- o Section 8 - Housing Assistance Payments Program (SouthWood Patio Homes)
- o Section 8 - Housing Assistance Payments Program (YMCA)

Under this program, the New Orleans Redevelopment Authority provides housing assistance payments on behalf of eligible families leasing safe, decent, and sanitary units from the owners of the property. The housing units are designed specifically for non-elderly families. The Authority has entered into a Housing Assistance Payment Contract with HUD where HUD is to provide financial assistance to the Authority for the purpose of making the housing assistance payments.

The Housing Assistance Payment Contract (SouthWood Patio Homes) was originally entered into between the Housing Authority of New Orleans (HANO) and HUD in March of 1983; however, effective May of 1992, HANO transferred the administration of the contract to the Authority. The combined financial statements reflect only the activities undertaken by the Authority, effective on the date of the transfer of the Southwood Patio Homes Contract.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General, Continued

A brief description of each program follows:

o Section 8 - Moderate Rehabilitation Program

Under this program, owner-investors of rental units for low to moderate income citizens, can receive special assistance to bring multi-family units up to city code standards and improve energy efficiency, if these units are in disrepair. Through Annual Contribution Contracts, the Section 8 Moderate Rehabilitation Program provides funds from HUD for the purpose of upgrading substandard units. Also, rents for low to moderate income citizens are subsidized in order to minimize displacement.

Under the provisions of HUD's Section 8 program, a certain percentage of all units to be upgraded must be set aside for the elderly and handicapped.

o Blighted Property Removal Program

The blighted property removal program is designed to provide for the rehabilitation and/or demolition and removal of buildings and other improvements whose physical conditions render them detrimental to the safety and welfare of the public at large, and whose existence directly threatens the physical, social and economic stability of the surrounding neighborhood facilities and jeopardizes the well-being of the entire community.

The program provides for technical assistance and/or financial assistance for rehabilitation, as may be available, to the existing property owner.

The program is administered by the New Orleans Redevelopment Authority under contract with the City of New Orleans.

o Housing Assistance Payment Program - SouthWood Patio

Under this program, NORA provides an oversight of the administration of the activities of the owner in the provision of rental units to eligible program participants.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General, Continued

o Section 8 - Housing Assistance Payments (YMCA)

In the current year, NORA was awarded forty-five (45) certificates by HUD for eligible participants in the housing assistance payments program.

NOTE 2 - Summary of Significant Accounting Policies:

Financial Statement Presentation

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

Reporting Entity

The New Orleans Redevelopment Authority exist under the Authority contained in Act No. 170 as amended, as passed by the Louisiana Legislature in 1968. NORA has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the City of New Orleans.

Basis of Presentation

The accounts of the Authority are organized on the basis of funds or account groups, each of which is considered a separate accounting entity and is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Governmental Funds

Governmental funds are those through which most governmental functions of the Authority are financed. The acquisition, use and balances of the Authority's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Authority's governmental funds:

General Fund - The general fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Groups

The account group is used to establish accounting control and accountability for the Authority's general fixed assets and outstanding obligations, respectively. It is a self-balancing group of accounts that are concerned only with the measurement of financial position, not with the measurement of results of operations. The following is the Authority's account group:

General Fixed Assets Account Group - This group of accounts is established to account for fixed assets of the Authority (primary government only). The fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized or reported in the general fixed assets account group.

General Long-Term Obligations Account Group - This group of accounts is established to account for long-term obligations of the Authority.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting - All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and expected to be collected within the next twelve months. Revenues not considered available are recorded as deferred revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for vacation and sick leave and claims and judgments which are recognized when paid. Prepaid insurance and similar items are not normally recorded as assets.

Investment earnings are recorded as earned since they are measurable and available.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of such revenues. In one, monies must be expended for the specific purpose or project before any amounts will be reimbursed to the Authority; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. Such revenues are recognized at the time of receipt or earlier if the "susceptible to accrual" criteria are met.

Fund Accounting

The accounts of the Authority are organized into three basic funds. A description of these funds and the accounts contained therein follows:

- o General Fund - The General Fund is used to account for all financial resources that are not required to be accounted for in another fund. These funds are used to pay the costs of certain expenditures that are not budgeted for in other programs and/or funds.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

- o Special Revenue - Annual Contribution Contracts Fund
- This fund is used to account for the activities of the Section 8 Moderate Rehabilitation Program. Monies are received from HUD related to housing assistance payments and certain administrative costs incurred by the Authority in administering the HUD projects.

- o Special Revenue - City of New Orleans - Division of Housing and Neighborhood Development - These funds are used to account for Community Development Block Grant (CD) funds received from the City of New Orleans. CD funds are provided under contracts between the City of New Orleans and the Authority for administrative costs, land acquisition and development expenditures and blighted property removal program cost.

Investments

Investments are recorded at cost. Investments include certificates of deposit.

Amounts Receivable

Amounts receivable are stated at net realizable value as required by generally accepted accounting principles. It is the practice of the Authority to expense uncollectible receivables only upon approval by the Board of Commissioners. At December 31, 1995 the allowance for doubtful accounts is \$-0-.

Land and Equipment

Land and equipment are recorded at cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. In addition, costs associated with certain property acquired with CD funds received from the City of New Orleans is reflected as program cost to the respective program. The property inventory is accounted for by the City of New Orleans. Depreciation has not been provided on general fixed assets.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Budgetary Data

The Authority does not formally adopt or utilize a budget for its General Fund. Budgetary data for its Special Revenue Funds are submitted and approved annually by the applicable funding sources of the Authority.

Because the budgets in the Special Revenue Funds are prepared on a modified accrual basis, no differences in budget basis and GAAP basis occur for those funds.

Total Columns on Combined Statements

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative total data for the prior year has been presented in the accompanying combined financial statements to provide an understanding of changes in the Authority's combined financial position and operations. However, comparative data (i.e., presentation of prior year totals for each fund source) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Amounts Receivable:

Amounts receivable at December 31, 1995 includes \$26,366 due from previous owners who participated in the Housing Assistance Program.

The amount is a part of the result of an Inspector General (IG) audit finding. However, subsequent to the audit, the Authority has provided additional documents to substantiate a larger amount of the rehabilitation cost originally disallowed.

In addition, the Authority appealed the rent calculations as per the IG's report. Subsequent to the appeal, an adjustment by the IG has reduced substantially the disallowed cost. The amount due from previous owners in the program, represents what the IG determined to be overpayments.

NOTE 4 - Cash and Temporary Cash Investments:

At December 31, 1995, the Authority's cash balances totaled \$522,208.

These deposits and financial instruments are stated at cost, which approximates market.

Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of the Authority.

At December 31, 1995, the carrying amount of the Authority's deposits was \$522,208 and the bank balance was \$530,681. Of the bank balances, \$353,939 was covered by federal depository insurance. The remaining bank balance of \$176,742 was covered by collateral held by the pledging institutions' agent in the Authority's name.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Land and Equipment:

As of December 31, 1994 and 1995, land and equipment consisted of the following:

	Balance December 31, 1994	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 1995
Land	\$42,217	\$-0-	\$-0-	\$42,217
Equipment	<u>21,868</u>	<u>-0-</u>	<u>-0-</u>	<u>21,868</u>
	<u>\$64,085</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$64,085</u>

NOTE 6 - Reserved Fund Balance:

The reserved fund balance represents residual funds from the completed Projects A-2 and R-15. The fund primarily consists of deposits on land for Project A-2; retainage for contract work; relocation funds and annual leave accrued for employees under the Comprehensive Employment Training Act. At December 31, 1995, no final determination has been made regarding the disposition of the funds. Also, see Note 9.

NOTE 7 - Due To/From Other Funds:

As of December 31, 1995, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$374,681	\$142,185
HUD Annual Contribution and Contracts Fund	194,663	414,472
Blighted Properties/ Administrative Fund	34,544	46,254
Community Development Rehabilitation Program Fund	193,800	159,217
Land Acquisition and Development Funds	<u>19,701</u>	<u>55,261</u>
Total	<u>\$817,389</u>	<u>\$817,389</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Operations:

During 1992 the overall funding level coupled with an increase in operating expenses resulted in an operating loss incurred by the Authority of \$125,018, specifically in its annual contribution contracts fund (major funding source).

In addition, for the year ending December 31, 1993, operating expenses increased and stabilized without a significant offset in revenues.

As a result of these factors and although the annual contribution contracts fund had excess of revenue over expenses during 1994 and 1995, the fund overall, has a deficit of approximately \$84,248 at December 31, 1995.

Management is continuing its efforts in implementing its plan of action to address this trend in operations.

NOTE 9 - Restricted Cash - Land Acquisition
and Development Funds:

The Board of Commissioners of the Authority, restricted the use of cash proceeds received from the sale of property accounted for in the Housing Development Coordination and Production Fund. The use of the funds is limited to the purchase of additional properties to be sold to qualified purchasers. At December 31, 1995 the amount of cash restricted was \$159,651. Also, see Note 6.

NOTE 10 - Related Party Leases:

The Authority leases certain facilities of the New Orleans Home Mortgage Authority under an operating lease expiring November 30, 1996.

Rental expense for the year ended December 31, 1995 under this lease was \$10,800.

The Executive Director of the New Orleans Home Mortgage Authority currently also serves as the Managing Director of the New Orleans Redevelopment Authority.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Subsequent Events:

In an agreement dated January 16, 1996 the Board of Commissioners of the New Orleans Redevelopment Authority (NORA) engaged the New Orleans Home Mortgage Authority (NOHMA) to manage all of the NORA functions and responsibilities, including its programs, personnel and finances beginning January 17, 1996. In consideration for those services rendered NORA will pay NOHMA an annual management fee of \$50,000. In addition to the fee, NOHMA may charge NORA for actual budgeted expenses related to the administration and management of NORA's programs and finances.

Additionally, in an agreement dated May 1, 1996 the Division of Housing and Neighborhood Development (DHND) and NORA agreed to grant code enforcement powers and authority to the housing inspectors employed by NORA which are possessed under law by the DHND.

NOTE 12 - Retirement System:

NORA participates in a qualified defined benefit pension and retirement plan under Section 401(a) of the Internal Revenue Code operated by the Louisiana State Employees' Retirement System (LASERS). Membership in LASERS is mandatory for all State employees whose agency is a LASERS participant except those excluded by law.

LASERS is a public trust fund created by Act of Louisiana Legislature in 1946 to provide retirement allowances and other benefits to State officers and employees and their beneficiaries.

Funding for the system comes from these sources; employee contributions which is currently 7.5% of earned compensation, employers contributions which is currently 12.10%, and earnings from investments. For the year ended December 31, 1995, NORA's pension cost was \$36,620.

NOTE 13 - Risk Management

NORA is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; for which NORA carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

SUPPLEMENTARY INFORMATION

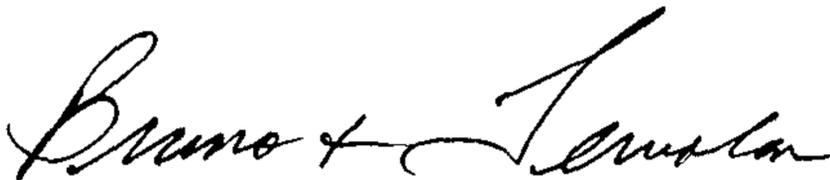
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana 70130

Our report on our audit of the basic combined financial statements of New Orleans Redevelopment Authority (NORA) appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole.

The supplementary information (Exhibits)-which are prepared in accordance with generally accepted accounting principles, has been subjected to the procedures applied in the audit of the combined financial statements and in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

The supplementary information (Schedules-HUD basis) which are prepared on a Comprehensive Basis of Accounting other than generally accepted accounting principles, has been subjected to the procedures applied in the audit of the combined financial statements and, in our opinion, except for differences in fund accounting, facilities acquisition and/or construction, prior year adjustment and receipt of federal funds presentation in accordance with HUD prescribed practices, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

SUPPLEMENTARY INFORMATION-EXHIBITS

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FUND
COMBINING BALANCE SHEET
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	<u>General Fund</u>	<u>Revolving Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1995</u>	<u>1994</u>
 <u>ASSETS</u>				
Cash and temporary cash investments	\$ -0-	\$ 84,872	\$ 84,872	\$ 17,912
Amounts receivable	-0-	159,903	159,903	149,944
Advance	40,000	-0-	40,000	40,000
Due from other funds	<u>52,372</u>	<u>322,309</u>	<u>374,681</u>	<u>413,763</u>
 Total assets	 <u>\$92,372</u>	 <u>\$567,084</u>	 <u>\$659,456</u>	 <u>\$621,619</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Amounts payable	\$ -0-	\$161,350	\$161,350	73,902
Advances--				
City of New Orleans	9,783	58,498	68,281	68,281
Due to other funds	29,438	112,747	142,185	197,548
Due to City of New Orleans	-0-	208,162	208,162	202,686
Accrued and other liabilities	<u>-0-</u>	<u>26,327</u>	<u>26,327</u>	<u>26,051</u>
 Total liabilities	 <u>\$39,221</u>	 <u>\$567,084</u>	 <u>\$606,305</u>	 <u>\$568,468</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FUND
COMBINING BALANCE SHEET
(CONTINUED)
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	General Fund	Revolving Fund	Totals (Memorandum Only)	
			1995	1994
<u>Fund balances</u>				
Unreserved	\$40,441	\$ -0-	\$ 40,441	\$ 40,441
Reserved	<u>12,710</u>	<u>-0-</u>	<u>12,710</u>	<u>12,710</u>
Total fund balances	<u>53,151</u>	<u>-0-</u>	<u>53,151</u>	<u>53,151</u>
Total liabilities and fund balances	<u>\$92,372</u>	<u>\$567,084</u>	<u>\$659,456</u>	<u>\$621,619</u>

See Independent Auditors' Report on Supplementary Information.

EXHIBIT B

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	<u>General Fund</u>	<u>Revolving Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1995</u>	<u>1994</u>
<u>Operating Revenue</u>				
Total revenues	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Expenditures</u>				
Total expenditures	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	-0-	-0-	-0-	-0-
Fund balance, beginning of year	<u>53,151</u>	-0-	<u>53,151</u>	<u>53,151</u>
Fund balance, end of year	<u>\$53,151</u>	<u>\$ -0-</u>	<u>\$ 53,151</u>	<u>\$ 53,151</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Operating Revenue</u>			
Grants and subsidies	\$ -0-	\$ -0-	\$ -0-
Interest on investments	-0-	-0-	-0-
Sale of land	-0-	-0-	-0-
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Expenditures</u>			
Salaries and employee benefits	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-
Repairs and maintenance	-0-	-0-	-0-
Contractual services	-0-	-0-	-0-
Equipment and supplies	-0-	-0-	-0-
Housing assistance payments	-0-	-0-	-0-
Convention and travel	-0-	-0-	-0-
Telephone and postage	-0-	-0-	-0-
Cost of land sold	-0-	-0-	-0-
Other expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	-0-	-0-	-0-
Fund balance, beginning of year	<u>53,151</u>	<u>53,151</u>	<u>-0-</u>
Fund balance, end of year	<u>\$53,151</u>	<u>\$53,151</u>	<u>\$ -0-</u>

See Independent Auditors' Report and Supplemental Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	DEPARTMENT OF HOUSING AND NEIGHBORHOOD DEVELOPMENT				LAND ACQUISITION AND DEVELOPMENT		Housing Development Coordination and Production Fund
	Blighted Properties Administrative Fund	Community Development Rehabilitation	Desire Square Fund				
ASSETS							
Cash and temporary cash investments	\$ 2,955				\$ -0-	\$ -0-	\$ 159,651
Amounts receivable	12,469				-0-	7,560	47,664
Amounts receivable - HUD	-0-				-0-	-0-	-0-
Note receivable	-0-				-0-	-0-	49,000
Grants receivable	124,382				-0-	-0-	4,310
Due from other funds	34,544				-0-	19,221	480
Total assets	\$174,350				\$42,426	\$26,781	\$261,105
LIABILITIES AND FUND BALANCE							
Amounts payable	\$ -0-				\$ -0-	\$ -0-	\$ -0-
Due to other funds	46,254				765	26,781	28,480
Due to City of New Orleans	87,617				1,250	-0-	56,301
Accrued and other liabilities	38,172				-0-	-0-	30
Deferred revenue	2,307				-0-	-0-	-0-
Accounts payable - HUD	-0-				-0-	-0-	-0-
Total liabilities	174,350				2,015	26,781	84,811

See Independent Auditors' Report on Supplementary Information .

NEW ORLEANS REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET, (CONTINUED)
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	DEPARTMENT OF HOUSING AND NEIGHBORHOOD DEVELOPMENT				LAND ACQUISITION AND DEVELOPMENT		
	COMMUNITY DEVELOPMENT REHABILITATION				Desire Square Fund	Housing Development Coordination and Production Fund	
	Eight Program Year	Ninth Program Year	Tenth Program Year	Eleventh Program Year		Twelfth Program Year	
<u>FUND EQUITY AND FUND BALANCES</u>							
Fund Equity	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Investment in general fixed assets							
Fund balances (Deficit)							
Unreserved	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Reserved	-0-	-0-	-0-	-0-	-0-	-0-	176,294
Total fund equity and balances	-0-	-0-	-0-	-0-	-0-	-0-	176,294
Total liabilities and fund equity and balances	\$174,350	\$2,015	\$43,517	\$50,176	\$55,666	\$26,781	\$261,105

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET, (CONTINUED)
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	ANNUAL CONTRIBUTION CONTRACTS					Totals (Memorandum Only)	
	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147 Project LA 48K218-002	FW-2147 Project LA 48K218-005	FW-2147 Project LA 48-K218-006	FW-2296E Project LA 48-K218-001	1994 1995
ASSETS							
Cash and temporary cash investments	\$ 40,723	\$ 10,098	\$ 44,546	\$ -0-	\$ 153,392	\$ 25,971	\$ 437,336
Amounts receivable	-0-	30,997	1,092	100	2,422	-0-	102,304
Amounts receivable - HUD	16,605	-0-	-0-	14,307	-0-	-0-	30,912
Note receivable	-0-	-0-	-0-	-0-	-0-	-0-	49,000
Grants receivable	-0-	-0-	-0-	-0-	-0-	-0-	128,692
Due from other funds	-0-	10,596	70,249	57,367	56,451	-0-	442,708
Total assets	\$ 57,328	\$ 51,691	\$ 115,887	\$ 71,774	\$ 212,265	\$ 25,971	\$ 1,190,952
LIABILITIES AND FUND BALANCE							
Amounts payable	\$ -0-	\$ 2,400	\$ 5,000	\$ 4,544	\$ 3,706	\$ -0-	\$ 15,650
Due to other funds	17,021	90,341	98,628	69,309	125,832	13,341	675,204
Due to City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	178,501
Accrued and other liabilities	3,693	-0-	-0-	-0-	-0-	-0-	41,895
Deferred revenue	-0-	-0-	40,675	1,425	61,883	9,038	185,349
Accounts payable - HUD	15,563	56,765	144,303	75,278	191,421	22,379	1,098,906
Total liabilities	36,277	149,506	315,278	225,127	470,539	31,758	1,044,022

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET, (CONTINUED)
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	ANNUAL CONTRIBUTION CONTRACTS					Totals	
	FW-2201 Project LA 48-0960-001	FW-2147 Project LA 48-K218-001	FW-2147 Project LA 48K218-002	FW-2147 Project LA 48K218-005	FW-2147 Project LA 48-K218-006	FW-2296E Project LA 48-K218-001	(Memorandum Only) 1994 1995
Fund Equity	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Investment in general fixed assets							
Fund Balances (Deficit)	21,051	(97,815)	(28,416)	(3,504)	20,844	3,592	(116,603)
Unreserved	-0-	-0-	-0-	-0-	-0-	-0-	170,203
Reserved	21,051	(97,815)	(28,416)	(3,504)	20,844	3,592	53,600
Total fund equity and balances	\$57,328	\$ 51,691	\$ 115,887	\$ 71,774	\$212,265	\$25,971	\$1,097,622
Total liabilities and fund equity and balances							

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	DEPARTMENT OF HOUSING AND NEIGHBORHOOD DEVELOPMENT				LAND ACQUISITION AND DEVELOPMENT	
	Blighted Properties Administrative Fund	Community Development Rehabilitation	Desire Square Fund	Housing Development Coordination and Production Fund		
<u>Operating Revenue</u>						
Grants and subsidies	\$244,413	\$ -0-	\$ -0-	\$ -0-	\$ 5,963	
Interest on investments	-0-	-0-	-0-	-0-	6,357	
Sale of land	-0-	-0-	-0-	-0-	-0-	
Other	-0-	-0-	-0-	-0-	-0-	
<u>Total revenues</u>	<u>244,413</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>12,320</u>	
<u>Expenditures</u>						
Salaries and employee benefits	152,000	-0-	-0-	-0-	-0-	
Occupancy	14,513	-0-	-0-	-0-	-0-	
Repairs and maintenance	892	-0-	-0-	-0-	-0-	
Contractual services	57,516	-0-	-0-	-0-	4,901	
Equipment and supplies	10,143	-0-	-0-	-0-	-0-	
Housing assistance payments	-0-	-0-	-0-	-0-	-0-	
Convention and travel	5,110	-0-	-0-	-0-	89	
Telephone and postage	1,108	-0-	-0-	-0-	-0-	
Cost of land sold	-0-	-0-	-0-	-0-	-0-	
Other expenditures	3,131	-0-	-0-	-0-	1,491	
Prior period adjustment	-0-	-0-	-0-	-0-	-0-	
<u>Total expenditures</u>	<u>244,413</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,481</u>	
Excess (deficiency) of revenues over expenditures	-0-	-0-	-0-	-0-	5,839	
Fund balance (deficit)/equity, beginning of year	-0-	-0-	-0-	-0-	170,455	
Fund balance (deficit)/equity, end of year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 176,294	

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/EQUITY, Continued
FOR THE YEAR ENDED DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	ANNUAL CONTRIBUTION CONTRACTS					Totals	
	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147 Project LA 48K218-002	FW-2147 Project LA 48K218-005	FW-2147 Project LA 48-K218-006	FW-2296E Project LA 48-K218-001	(Memorandum Only) 1995 1994
<u>Operating Revenue</u>							
Grants and subsidies	\$826,349	\$ 627,484	\$597,020	\$633,104	\$1,378,732	\$126,436	\$4,380,934
Interest on investments	779	620	620	593	593	-0-	7,515
Sale of land	-0-	-0-	-0-	-0-	-0-	-0-	1,330
Other	40	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	<u>827,168</u>	<u>628,104</u>	<u>597,640</u>	<u>633,697</u>	<u>1,379,325</u>	<u>126,436</u>	<u>4,389,779</u>
<u>Expenditures</u>							
Salaries and employee benefits	15,523	41,534	43,663	22,373	76,651	13,328	349,110
Occupancy	-0-	2,590	2,701	1,619	3,960	-0-	80,244
Repairs and maintenance	-0-	710	739	445	1,063	-0-	2,037
Contractual services	176	86	89	53	128	-0-	49,660
Equipment and supplies	-0-	500	521	314	763	-0-	7,565
Housing assistance payments	804,338	567,099	533,767	591,940	1,281,342	109,328	3,833,964
Convention and travel	208	1,633	1,679	984	2,511	-0-	13,615
Telephone and postage	-0-	725	755	453	1,087	-0-	6,010
Cost of land sold	-0-	-0-	-0-	-0-	-0-	-0-	1,330
Other expenditures	430	4,042	6,678	4,649	1,907	188	12,517
Total expenditures	<u>820,667</u>	<u>618,919</u>	<u>590,592</u>	<u>622,830</u>	<u>1,369,412</u>	<u>122,844</u>	<u>4,356,052</u>
Excess (deficiency) of revenues over expenditures	6,501	9,185	7,048	10,867	9,913	3,592	33,727
Fund balances/equity, beginning of year	16,540	(103,970)	(32,305)	(11,991)	14,871	-0-	19,873
Adjustment to beginning fund balances/equity	1,990	3,030	3,159	2,380	3,940	-0-	-0-
Fund balances/equity, end of year	<u>\$ 21,031</u>	<u>\$ (97,815)</u>	<u>\$ (28,416)</u>	<u>\$ (3,504)</u>	<u>\$ 20,844</u>	<u>\$ 3,592</u>	<u>\$ 53,600</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY

BLIGHTED PROPERTIES ADMINISTRATIVE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Operating Revenue</u>			
Grants	\$315,489	\$244,413	\$(71,076)
 Total revenue	 315,489	 244,413	 (71,076)
 <u>Expenditures</u>			
Salaries and employee benefits	155,823	152,000	3,823
Occupancy	16,600	14,513	2,087
Repairs and maintenance	1,500	892	608
Contractual services	103,213	57,516	45,697
Equipment and supplies	12,923	10,143	2,780
Convention and travel	9,500	5,110	4,390
Telephone and postage	3,800	1,108	2,692
Other expenditures	<u>12,130</u>	<u>3,131</u>	<u>8,999</u>
 Total expenditures	 315,489	 244,413	 71,076
 Excess of revenues over expenditures	 -0-	 -0-	 -0-
 Fund balance, beginning of year	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>
 Fund balance, end of year	 \$ <u>-0-</u>	 \$ <u>-0-</u>	 \$ <u>-0-</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
HOUSING DEVELOPMENT COORDINATION AND PRODUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE/EQUITY
BUDGET AND ACTUAL--
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Operating Revenue</u>			
Grant	\$ 6,000	\$ 5,963	\$ (37)
Interest on investments	<u>-0-</u>	<u>6,357</u>	<u>6,357</u>
Total revenues	<u>6,000</u>	<u>12,320</u>	<u>6,320</u>
 <u>Expenditures</u>			
Contractual services	4,920	4,901	19
Convention and travel	105	89	16
Other expenditures	<u>975</u>	<u>1,491</u>	<u>(516)</u>
Total expenditures	<u>6,000</u>	<u>6,481</u>	<u>(481)</u>
 Excess of revenues over expenditures	 -0-	 5,839	 5,839
 Fund balance/equity, beginning of year	 <u>170,455</u>	 <u>170,455</u>	 <u>-0-</u>
 Fund balance/equity, end of year	 <u>\$170,455</u>	 <u>\$176,294</u>	 <u>\$ 5,839</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL--FW-2201--PROJECT LA 48-0060-001
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Operating Revenue</u>			
Grants and subsidies	\$926,987	\$826,349	\$ (100,638)
Interest on investments	-0-	779	779
Other	<u>-0-</u>	<u>40</u>	<u>40</u>
Total revenues	<u>926,987</u>	<u>827,168</u>	<u>(99,819)</u>
<u>Expenditures</u>			
Salaries and employee benefits	22,715	15,523	7,192
Contractual services	1,500	176	1,324
Housing assistance payments	902,772	804,338	98,434
Convention and travel	-0-	200	(200)
Other expenditures	<u>-0-</u>	<u>430</u>	<u>(430)</u>
Total expenditures	<u>926,987</u>	<u>820,667</u>	<u>106,320</u>
Excess of revenues over expenditures	-0-	6,501	6,501
Fund balance/equity, beginning of year	16,540	16,540	-0-
Adjustment to beginning fund balance/equity	<u>-0-</u>	<u>1,990</u>	<u>(1,990)</u>
Fund balance/equity, end of year	<u>\$ 16,540</u>	<u>\$ 21,051</u>	<u>\$ 4,511</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND (DEFICIT)/EQUITY
BUDGET AND ACTUAL--FW-2147--PROJECT LA 48-K218-001
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Operating Revenue</u>			
Grants and subsidies	\$ 763,199	\$ 627,484	\$(135,715)
Interest on investments	<u>-0-</u>	<u>620</u>	<u>620</u>
Total revenues	<u>763,199</u>	<u>628,104</u>	<u>(135,095)</u>
<u>Expenditures</u>			
Salaries and employee benefits	64,151	41,534	22,617
Occupancy	-0-	2,590	(2,590)
Repairs and maintenance	-0-	710	(710)
Contractual services	2,400	86	2,314
Equipment and supplies	-0-	500	(500)
Housing assistance payment	696,648	567,099	129,549
Convention and travel	-0-	1,633	(1,633)
Telephone and postage	-0-	725	(725)
Other expenditures	<u>-0-</u>	<u>4,042</u>	<u>(4,042)</u>
Total expenditures	<u>763,199</u>	<u>618,919</u>	<u>144,280</u>
Excess of revenues over expenditures	-0-	9,185	9,185
Fund (deficit)/equity, beginning of year	(103,970)	(103,970)	-0-
Adjustment to beginning fund (deficit)/equity	<u>-0-</u>	<u>3,030</u>	<u>(3,030)</u>
Fund (deficit)/equity, end of year	<u>\$(103,970)</u>	<u>\$(97,815)</u>	<u>\$ 6,155</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND (DEFICIT)/EQUITY
BUDGET AND ACTUAL--FW-2147--PROJECT LA 48-K218-002
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Operating Revenue</u>			
Grants and subsidies	\$797,501	\$597,020	\$(200,481)
Interest on investments	<u>-0-</u>	<u>620</u>	<u>620</u>
Total revenues	<u>797,501</u>	<u>597,640</u>	<u>(199,861)</u>
<u>Expenditures</u>			
Salaries and employee benefits	67,165	43,663	23,502
Occupancy	-0-	2,701	(2,701)
Repairs and maintenance	-0-	739	(739)
Contractual services	2,500	89	2,411
Equipment and supplies	-0-	521	(521)
Housing assistance payments	727,836	533,767	194,069
Convention and travel	-0-	1,679	(1,679)
Telephone and postage	-0-	755	(755)
Other expenditures	<u>-0-</u>	<u>6,678</u>	<u>(6,678)</u>
Total expenditures	<u>797,501</u>	<u>590,592</u>	<u>206,909</u>
Excess of revenues over expenditures	-0-	7,048	7,048
Fund (deficit)/equity, beginning of year	(32,305)	(32,305)	-0-
Adjustment to beginning fund (deficit)/equity	<u>-0-</u>	<u>3,159</u>	<u>(3,159)</u>
Fund (deficit)/equity, end of year	<u>\$(32,305)</u>	<u>\$(28,416)</u>	<u>\$ 3,889</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND (DEFICIT)/EQUITY
BUDGET AND ACTUAL--FW-2147--PROJECT LA 48-K218-005
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Operating Revenue</u>			
Grants and subsidies	\$716,654	\$633,104	\$(83,550)
Interest on investments	<u>-0-</u>	<u>593</u>	<u>593</u>
Total revenues	<u>716,654</u>	<u>633,697</u>	<u>\$(82,957)</u>
<u>Expenditures</u>			
Salaries and employee benefits	43,054	22,373	20,681
Occupancy	-0-	1,619	(1,619)
Repairs and maintenance	-0-	445	(445)
Contractual services	1,600	53	1,547
Equipment and supplies	-0-	314	(314)
Housing assistance payments	672,000	591,940	80,060
Convention and travel	-0-	984	(984)
Telephone and postage	-0-	453	(453)
Other expenditures	<u>-0-</u>	<u>4,649</u>	<u>(4,649)</u>
Total expenditures	<u>716,654</u>	<u>622,830</u>	<u>93,824</u>
Excess of revenues over expenditures	-0-	10,867	10,867
Fund (deficit)/equity, beginning of year	(11,991)	(11,991)	-0-
Adjustment to beginning fund (deficit)/equity	<u>-0-</u>	<u>2,380</u>	<u>(2,380)</u>
Fund (deficit)/equity, end of year	<u>\$(11,991)</u>	<u>\$(3,504)</u>	<u>\$ 8,487</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE/EQUITY
BUDGET AND ACTUAL--FW-2147--PROJECT LA 48-K218-006
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Operating Revenue</u>			
Grants and subsidies	\$1,565,002	\$1,378,732	\$(186,270)
Interest on investments	<u>-0-</u>	<u>593</u>	<u>593</u>
Total revenues	<u>1,565,002</u>	<u>1,379,325</u>	<u>\$(185,677)</u>
<u>Expenditures</u>			
Salaries and employee benefits	95,150	76,651	18,499
Occupancy	-0-	3,960	(3,960)
Repairs and maintenance	-0-	1,063	(1,063)
Contractual services	3,500	128	3,372
Equipment and supplies	-0-	763	(763)
Housing assistance payments	1,466,352	1,281,342	185,010
Convention and travel	-0-	2,511	(2,511)
Telephone and postage	-0-	1,087	(1,087)
Other expenditures	<u>-0-</u>	<u>1,907</u>	<u>(1,907)</u>
Total expenditures	<u>1,565,002</u>	<u>1,369,412</u>	<u>195,590</u>
Excess of revenues over expenditures	-0-	9,913	9,913
Fund balance/equity, beginning of year	14,871	14,871	-0-
Adjustments to beginning fund balance/equity	<u>-0-</u>	<u>3,940</u>	<u>(3,940)</u>
Fund balance/equity, end of year	<u>\$ 14,871</u>	<u>\$ 20,844</u>	<u>\$ 5,973</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE/EQUITY
BUDGET AND ACTUAL--FW-2296E--PROJECT LA 48-E218-001
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Operating Revenue</u>			
Grants and subsidies	\$ <u>162,409</u>	\$ <u>126,436</u>	\$(<u>35,973</u>)
Total revenue	<u>162,409</u>	<u>126,436</u>	<u>(35,973)</u>
<u>Expenditures</u>			
Salaries and employee benefits	17,269	13,328	3,941
Contractual services	1,500	-0-	1,500
Housing assistance payments	143,640	109,328	34,312
Other expenditures	<u>-0-</u>	<u>188</u>	<u>(188)</u>
Total expenditures	<u>162,409</u>	<u>122,844</u>	<u>39,565</u>
Excess of revenue over expenditures	-0-	3,592	3,592
Fund balance/equity, beginning of year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance/equity, end of year	\$ <u>-0-</u>	\$ <u>3,592</u>	\$ <u>3,592</u>

See Independent Auditors' Report on Supplementary Information.

EXHIBIT G

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	<u>1995</u>	<u>1994</u>
<u>ASSETS</u>		
Land	\$42,217	\$42,217
Equipment	<u>21,868</u>	<u>21,868</u>
Total assets	<u>\$64,085</u>	<u>\$64,085</u>
 <u>FUND EQUITY</u>		
Investment in general fixed assets- special revenue funds:		
-- Housing Development Coordination and Productin Fund	\$42,217	\$42,217
-- FW2147 LA 48-K218-001	975	975
-- FW2147 LA 48-K218-002	12,422	12,422
-- FW2147 LA 48-K218-006	<u>8,471</u>	<u>8,471</u>
Total fund equity	<u>\$64,085</u>	<u>\$64,085</u>

See Independent Auditors' Report on Supplementary Information.

EXHIBIT H

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL LONG-TERM OBLIGATIONS
DECEMBER 31, 1995
(WITH COMPARATIVE TOTALS FOR 1994)

	<u>1995</u>	<u>1994</u>
<u>ASSETS</u>		
Amounts to be provided for retirement of obligations	<u>\$32,569</u>	<u>\$30,359</u>
Total assets	<u>\$32,569</u>	<u>\$30,359</u>
<u>LIABILITIES</u>		
Compensated absences payable	<u>\$32,569</u>	<u>\$30,359</u>
Total liabilities	<u>32,569</u>	<u>30,359</u>
Total liabilities and fund balance	<u>\$32,569</u>	<u>\$30,359</u>

See Independent Auditors' Report on Supplementary Information.

SUPPLEMENTARY INFORMATION-SCHEDULES

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMBINING BALANCE SHEET--HUD BASIS
ANNUAL CONTRIBUTION CONTRACTS FUND
DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-001	TOTAL (MEMORANDUM ONLY)
Cash and temporary cash investments	\$40,723	\$ 10,098	\$ 44,546	\$ -0-	\$153,392	\$25,971	\$274,730
Amounts receivable-- HUD	16,605	-0-	-0-	14,307	-0-	-0-	30,912
Amounts receivable-- Homeowners	-0-	30,997	-0-	-0-	-0-	-0-	30,997
Land and equipment	-0-	975	12,422	-0-	8,471	-0-	21,868
Due from other funds	-0-	10,596	70,249	57,367	56,451	-0-	194,663
Amounts receivable-- Other	-0-	-0-	1,092	100	2,422	-0-	3,614
Total assets	\$57,328	\$ 52,666	\$128,309	\$71,774	\$220,736	\$25,971	\$556,784

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMBINING BALANCE SHEET--HUD BASIS
(CONTINUED)
ANNUAL CONTRIBUTION CONTRACTS FUND
DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-001	TOTAL (MEMORANDUM ONLY)
<u>LIABILITIES AND SURPLUS</u>							
Liabilities							
Accounts payable--							
HUD	\$ 15,563	\$ 56,765	\$ 40,675	\$ 1,425	\$ 61,883	\$ 9,038	\$ 185,349
Other liabilities	3,693	2,400	5,000	4,544	3,706	-0-	19,343
Due to other funds	17,021	90,341	98,628	69,309	125,832	13,341	414,472
Total liabilities	36,277	149,506	144,303	75,278	191,421	22,379	619,164
<u>SURPLUS</u>							
Unreserved	\$(4,400,460)	\$(9,749,540)	\$(9,813,921)	\$(5,918,304)	\$(10,877,419)	\$(174,771)	\$(40,934,415)
Operating reserve	21,051	-0-	-0-	-0-	20,844	3,592	45,487
Project account	1,316,758	2,451,048	2,622,788	1,489,835	4,859,076	48,335	12,787,840
Cumulative HUD							
contributions	3,083,702	7,201,652	7,175,139	4,424,965	6,026,814	126,436	28,038,708
Total surplus	21,051	(96,840)	(15,994)	(3,504)	29,315	3,592	(62,380)
Total liabilities							
and surplus	\$ 57,328	\$ 52,666	\$ 128,309	\$ 71,774	\$ 220,736	\$ 25,971	\$ 556,784

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN SURPLUS--HUD BASIS
ANNUAL CONTRIBUTION CONTRACTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-001	TOTAL (MEMORANDUM ONLY)
Operating Revenue							
Interest on investments	\$ 819	\$ 620	\$ 620	\$ 593	\$ 593	\$ -0-	\$ 3,245
Total revenue	819	620	620	593	593	-0-	3,245
Expenditures							
Housing assistance program	804,338	567,099	533,767	591,940	1,281,342	109,328	3,887,814
Salaries and employee benefits	15,523	41,534	43,663	22,373	76,651	13,328	213,072
Contractual services	176	86	89	53	128	-0-	532
Telephone and postage	-0-	725	755	453	1,087	-0-	3,020
Equipment and supplies	-0-	500	521	314	763	-0-	2,098
Occupancy	-0-	2,590	2,701	1,619	3,960	-0-	10,870
Repairs and maintenance	-0-	710	739	445	1,063	-0-	2,957
Convention and travel	200	1,633	1,679	984	2,511	-0-	7,007
General	430	4,042	6,678	4,649	1,907	188	17,894
Prior period adjustment	1,990	3,030	3,159	2,380	3,940	-0-	14,499
Total expenditures	822,657	621,949	593,751	625,210	1,373,352	122,844	4,159,763
Net operating loss before other income	(821,838)	(621,329)	(593,131)	(624,617)	(1,372,759)	(122,844)	(4,156,518)

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN SURPLUS--HUD BASIS
(CONTINUED)
ANNUAL CONTRIBUTION CONTRACTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-001	TOTAL (MEMORANDUM ONLY)
Other Income							
HUD contribution	\$ 826,349	\$ 627,484	\$ 597,020	\$ 633,104	\$ 1,378,732	\$ 126,436	\$ 4,189,125
Total other income	<u>826,349</u>	<u>627,484</u>	<u>597,020</u>	<u>633,104</u>	<u>1,378,732</u>	<u>126,436</u>	<u>4,189,125</u>
Revenue over expenditures	4,511	6,155	3,889	8,487	5,973	3,592	32,607
Surplus (deficit)-- January 1, 1995	<u>16,540</u>	<u>(102,995)</u>	<u>(19,883)</u>	<u>(11,991)</u>	<u>23,342</u>	<u>-0-</u>	<u>(94,987)</u>
Surplus (deficit)-- December 31, 1995	<u>\$ 21,051</u>	<u>\$ (96,840)</u>	<u>\$ (15,994)</u>	<u>\$ (3,504)</u>	<u>\$ 29,315</u>	<u>\$ 3,592</u>	<u>\$ (62,380)</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
ANALYSIS OF SURPLUS-HUD BASIS
ANNUAL CONTRIBUTION CONTRACTS FUND
DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-001	TOTAL (MEMORANDUM) ONLY
Unreserve Surplus							
Balance per prior audit, December 31, 1994	\$ (3,515,616)	\$ (8,792,672)	\$ (9,178,570)	\$ (5,257,191)	\$ (9,322,459)	\$ -0-	\$ (36,066,508)
Net loss for year ended December 31, 1995	(821,838)	(621,329)	(593,131)	(624,617)	(1,372,759)	(122,844)	(4,156,518)
Provision for (reduction of) operating reserve for the year ended December 31, 1995	(4,511)	-0-	-0-	-0-	(5,973)	(3,592)	(14,076)
Provision for (reduction of) project account for the year ended December 31, 1995	(58,495)	(335,539)	(42,220)	(36,496)	(176,228)	(48,335)	(697,313)
Balance at December 31, 1995	(4,400,460)	(9,749,540)	(9,813,921)	(5,918,304)	(10,877,419)	(174,771)	(40,934,415)
Reserve Surplus--							
Operating Reserve							
Balance per prior audit, December 31, 1994	\$ 16,540	\$ -0-	\$ -0-	\$ -0-	\$ 14,871	\$ -0-	\$ 31,411
Provision for (reduction of) operating reserve for year ended December 31, 1995	4,511	-0-	-0-	-0-	5,973	3,592	14,076
Balance at December 31, 1995	21,051	-0-	-0-	-0-	20,844	3,592	45,487

See Independent Auditors' Report on supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
ANALYSIS OF SURPLUS-HUD BASIS
(CONTINUED)
ANNUAL CONTRIBUTION CONTRACTS FUND
DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-01	TOTAL (MEMORANDUM ONLY)
Reserved surplus-- Project Account							
Balance per prior audit,	\$ 1,258,263	\$ 2,115,509	\$ 2,580,658	\$ 1,453,339	\$ 4,685,253	\$ -0-	\$ 12,093,022
December 31, 1994	-0-	-0-	(90)	-0-	(2,405)	-0-	(2,495)
Other							
Provision for (reduction of) project account for year ended							
December 31, 1995	58,495	335,539	42,220	36,496	176,228	48,335	697,313
Balance at December 31, 1995	1,316,758	2,451,048	2,622,788	1,489,835	4,859,076	48,335	12,787,840
Cumulative HUD Contributions							
Balance per prior audit,							
December 31, 1994	2,257,353	6,574,168	6,578,029	3,791,861	4,645,677	-0-	23,847,088
Other	-0-	-0-	90	-0-	2,405	-0-	2,495
Annual contribution for year ended							
December 31, 1995	826,349	627,484	597,020	633,104	1,378,732	126,436	4,189,125
Balance at December 31, 1995	3,083,702	7,201,652	7,175,139	4,424,965	6,026,814	126,436	28,038,708
Total surplus	\$ 21,051	\$ (96,840)	\$ (15,994)	\$ (3,504)	\$ 29,315	\$ 3,592	\$ (62,380)

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

NEW ORLEANS REDEVELOPMENT AUTHORITY
 ANALYSIS OF GENERAL FUND CASH BALANCE-HUD BASIS
 ANNUAL CONTRIBUTION CONTRACTS FUND
 DECEMBER 31, 1995

	FW-2201 Project LA 48-0060-001	FW-2147 Project LA 48-K218-001	FW-2147K Project LA 48-K218-002	FW-2147K Project LA 48-K218-005	FW-2147K Project LA 48-K218-006	FW-2296E Project LA 48-E218-001	TOTAL (MEMORANDUM ONLY)
<u>Unreserve Surplus</u>							
Net operating receipts retained:							
Operating reserve	\$ 21,051	\$ -0-	\$ -0-	\$ -0-	\$ 20,844	\$ 3,592	\$ 45,487
Adjustments:							
Income not received:							
Accounts receivable	(16,605)	(41,594)	(71,340)	(71,774)	(58,873)	-0-	(260,186)
Residual deficit	-0-	(97,814)	(28,417)	(3,504)	-0-	-0-	(129,735)
Expenses/costs not paid:							
Accounts payable	36,277	149,506	144,303	75,278	191,421	22,379	619,164
General fund cash and temporary cash investments	\$ 40,723	\$ 10,098	\$ 44,546	\$ -0-	\$ 153,392	\$ 25,971	\$ 274,730

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES

ANNUAL CONTRIBUTION CONTRACT FW-2147
Project LA 48-K218-001

	<u>December 31, 1995</u>
<u>Maximum Contribution Available</u>	
Maximum annual contribution authorized	\$ <u>963,022</u>
Maximum contribution for period	\$ 963,022
Project account balance at the beginning of the fiscal year	<u>2,115,510</u>
Total annual contribution available	<u>\$3,078,532</u>
<u>Annual Contribution Required</u>	
Administrative fee	\$ 61,005
Housing assistance payments	567,099
Project receipts other than annual contribution	<u>(620)</u>
Total annual contribution required	<u>\$ 627,484</u>
<u>Project Account Change</u>	
Provision for project account	<u>\$ 335,538</u>
<u>Annual Contribution Earned</u>	
Lesser of contribution available or contribution required	<u>\$ 627,484</u>
<u>Operating Reserve Change</u>	
Operating income	\$ 620
Annual contribution earned	<u>627,484</u>
Total operating receipts	<u>628,104</u>
Operating expenditures	<u>621,949</u>
Total expenditures	<u>621,949</u>
Net operating receipts	<u>6,155</u>
Residual receipt (deficit) carryover	<u>\$ (97,815)</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES

ANNUAL CONTRIBUTION CONTRACT FW-2147
 Project LA 48-K218-002

	<u>December 31, 1995</u>
<u>Maximum Contribution Available</u>	
Maximum annual contribution authorized	\$ <u>639,240</u>
Maximum contribution for period	\$ 639,240
Project account balance at the beginning of the fiscal year	<u>2,580,568</u>
Total annual contribution available	<u>\$3,219,808</u>
<u>Annual Contribution Required</u>	
Administrative fee	\$ 63,873
Housing assistance payments	533,767
Project receipts other than annual contribution	<u>(620)</u>
Total annual contribution required	<u>\$ 597,020</u>
<u>Project Account Change</u>	
Provision for project account	<u>\$ 42,220</u>
<u>Annual Contribution Earned</u>	
Lesser of contribution available or contribution required	<u>\$ 597,020</u>
<u>Operating Reserve Change</u>	
Operating income	\$ 620
Annual contribution earned	<u>597,020</u>
Total operating receipts	<u>597,640</u>
Operating expenditures	<u>593,751</u>
Total expenditures	<u>593,751</u>
Net operating receipts	<u>3,889</u>
Residual receipt (deficit) carryover	<u>\$ (28,417)</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES

ANNUAL CONTRIBUTION CONTRACT FW-2147
 Project LA 48-K218-005

	<u>December 31, 1995</u>
<u>Maximum Contribution Available</u>	
Maximum annual contribution authorized	\$ <u>669,600</u>
Maximum contribution for period	\$ 669,600
Project account balance at the beginning of the fiscal year	<u>1,453,339</u>
Total annual contribution available	<u>\$2,122,939</u>
<u>Annual Contribution Required</u>	
Administrative fee	\$ 41,757
Housing assistance payments	591,940
Project receipts other than annual contribution	<u>(593)</u>
Total annual contribution required	<u>\$ 633,104</u>
<u>Project Account Change</u>	
Provision for project account	<u>\$ 36,496</u>
<u>Annual Contribution Earned</u>	
Lesser of contribution available or contribution required	<u>\$ 633,104</u>
<u>Operating Reserve Change</u>	
Operating income	\$ 593
Annual contribution earned	<u>633,104</u>
Total operating receipts	<u>633,697</u>
Operating expenditures	<u>625,210</u>
Total expenditures	<u>625,210</u>
Net operating receipts	<u>8,487</u>
Residual receipt (deficit) carryover	<u>\$ (3,504)</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VIII

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES

ANNUAL CONTRIBUTION CONTRACT FW-2147
Project LA 48-K218-006

December 31, 1995

<u>Maximum Contribution Available</u>	
Maximum annual contribution authorized	<u>\$1,554,960</u>
Maximum contribution for period	\$1,554,960
Project account balance at the beginning of the fiscal year	<u>4,682,848</u>
Total annual contribution available	<u>\$6,237,808</u>
<u>Annual Contribution Required</u>	
Independent public accountant audit costs	\$ 176
Housing assistance payments	1,281,342
Administrative fee	97,807
Project receipts other than annual contribution	<u>(593)</u>
Total annual contribution required	<u>\$1,378,732</u>
<u>Project Account Change</u>	
Provision for project account	<u>\$ 176,228</u>
<u>Annual Contribution Earned</u>	
Lesser of contribution available or contribution required	<u>\$1,378,732</u>
<u>Operating Reserve Change</u>	
Annual contribution earned	\$1,378,732
Operating income	<u>593</u>
Total operating receipts	<u>1,379,325</u>
Operating expenditures	<u>1,373,352</u>
Total expenditures	<u>1,373,352</u>
Net operating receipts	<u>5,973</u>
Provision for (reduction of) operating reserve	<u>\$ 5,973</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IX

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES

ANNUAL CONTRIBUTION CONTRACT FW-2201
Project LA 48-0060-001

December 31, 1995

Maximum Contribution Available

Maximum annual contribution authorized	\$ <u>884,844</u>
Maximum contribution for period	\$ 884,844
Project account balance at the beginning of the fiscal year	<u>-0-</u>
Total annual contribution available	\$ <u>884,844</u>

Annual Contribution Required

Independent public accountant audit costs	\$ 176
Housing assistance payments	804,338
Administrative fee	22,614
Other	40
Project receipts other than annual contribution	<u>(819)</u>
Total annual contribution required	\$ <u>826,349</u>

Project Account Change

Provision for project account, net	\$ <u>58,495</u>
------------------------------------	------------------

Annual Contribution Earned

Lesser of contribution available or contribution required	\$ <u>826,349</u>
--	-------------------

Operating Reserve Change

Annual contribution earned	\$ 819
Operating income	<u>826,349</u>

Total operating receipts	<u>827,168</u>
--------------------------	----------------

Operating expenditures	<u>822,657</u>
------------------------	----------------

Total expenditures	<u>822,657</u>
--------------------	----------------

Net operating receipts	<u>4,511</u>
------------------------	--------------

Provision for (reduction of) operating reserve	\$ <u>4,511</u>
---	-----------------

See Independent Auditors' Report on Supplementary Information.

SCHEDULE X

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES

ANNUAL CONTRIBUTION CONTRACT FW-2296E
Project LA 48-E218-001

December 31, 1995

<u>Maximum Contribution Available</u>	
Maximum annual contribution authorized	\$ <u>174,771</u>
Maximum contribution for period	\$ 174,771
Project account balance at the beginning of the fiscal year	<u>-0-</u>
Total annual contribution available	\$ <u>174,771</u>
<u>Annual Contribution Required</u>	
Housing assistance payments	\$ 109,328
Administrative fee	17,108
Project receipts other than annual contribution	<u>-0-</u>
Total annual contribution required	\$ <u>126,436</u>
<u>Project Account Change</u>	
Provision for project account, net	\$ <u>48,335</u>
<u>Annual Contribution Earned</u>	
Lesser of contribution available or contribution required	\$ <u>126,436</u>
<u>Operating Reserve Change</u>	
Annual contribution earned	\$ <u>126,436</u>
Total operating receipts	<u>126,436</u>
Operating expenditures	<u>122,844</u>
Total expenditures	<u>122,844</u>
Net operating receipts	<u>3,592</u>
Provision for (reduction of) operating reserve	<u>3,592</u>
Residual receipt (deficit) carryover	\$ <u>-0-</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 For the Year Ended December 31, 1995

	Department of Housing and Urban Development Annual Contribution Contracts Fund	Blighted Properties/ Administrative Fund	City of New Orleans Department of Housing and Neighborhood Development Land Acquisition and Development Funds	Total (Memorandum Only)
Cash and temporary cash investments January 1, 1995	\$ 17,912	\$ 2,969	\$ 152,559	\$ 286,329
<u>Receipts</u>				
C.D.B.G. (City of New Orleans)	-0-	154,586	4,630	159,216
HUD	-0-	-0-	-0-	4,341,794
Program and other income	<u>675,050</u>	<u>-0-</u>	<u>8,857</u>	<u>728,894</u>
Total receipts and cash available	<u>692,962</u>	<u>157,555</u>	<u>166,046</u>	<u>5,516,233</u>
<u>Disbursements</u>				
General and administrative	<u>608,090</u>	<u>154,600</u>	<u>6,395</u>	<u>4,994,025</u>
Total disbursements	<u>608,090</u>	<u>154,600</u>	<u>6,395</u>	<u>4,994,025</u>
Cash and temporary cash investments, December 31, 1995	<u>\$ 84,872</u>	<u>\$ 2,955</u>	<u>\$ 159,651</u>	<u>\$ 522,208</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE XII

NEW ORLEANS REDEVELOPMENT AUTHORITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the Year Ended December 31, 1995

Program Grantor/Title	CFDA Number	Grantor Number	Grant Revenue	Other Revenue and Program Income	Expenses and Authorized Expenditures
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT;					
<u>Subject to Annual Contribution Contracts</u>					
Housing Assistance Program:					
Moderate Rehabilitation Program 001	*14.856	FW-2147	\$ 627,483	\$ 620	\$ 621,949
Moderate Rehabilitation Program 002	*14.856	FW-2147	597,020	620	593,751
Moderate Rehabilitation Program 005	*14.856	FW-2147	633,104	593	625,210
Moderate Rehabilitation Program 006	*14.856	FW-2147	1,378,732	593	1,373,352
Southwood Patio	*14.856	FW-2201	126,436	-0-	122,844
Moderate Rehabilitation Program E001	*14.856	FW-2296E	826,349	819	822,657
Total annual contribution contracts			4,189,124	3,245	4,159,763
Pass Through CDBG Funds as Subgrantee of the City of New Orleans:					
Land acquisition and development activities	14.218	N/A	5,963	6,357	6,481
Blighted Properties Removal/Administrative Fund	*N/A	N/A	244,413	-0-	244,413
Total passed through funds			250,376	6,357	250,894
Total all programs			\$4,439,500	\$9,602	\$4,410,657

*-Major Program

See Accompanying Independent Auditors Report.

& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 71030

We have audited the combined financial statements of the **New Orleans Redevelopment Authority** (the Authority) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of OMB Circular A-128 Audits of State and Local Governments. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the combined financial statements in accordance with the general

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

accepted accounting principles. Because of inherent limitations in any internal control structure, errors, or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the combined financial statements of the Authority as of and for the year ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express such an opinion.

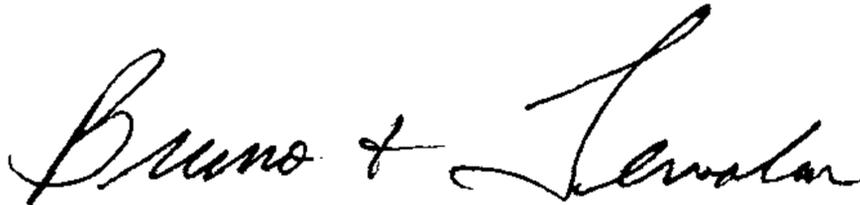
We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the combined financial statements. (See Schedule of Reportable Conditions).

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Reportable Conditions are material weaknesses.

This report is intended for the information of the Authority's management and its regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Authority is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 71030

We have audited the combined financial statements of the New Orleans Redevelopment Authority (the Authority) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. We have also audited the compliance of the Authority with requirements applicable to major federal financial assistance programs and have issued our report thereon dated June 14, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement and about whether the Authority complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1995, we considered the internal control structure of the Authority in order to determine our auditing procedures for the purpose of expressing an opinion on the combined financial statements of the Authority and on compliance of the Authority with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128.

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(CONTINUED)

This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the combined financial statements in a separate report dated June 14, 1996.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of combined financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting and Administrative Control Categories

- | | |
|--|---|
| o Cash Receipts | o Payroll |
| o Eligibility | o Property and Equipment |
| o Accounts Payable | o Political Activity |
| o Cash Management | o Cost Allocation |
| o Cash Disbursements | o Federal Financial Reports |
| o Civil Rights | o Drug-Free Workplace Act |
| o Administrative Requirements | o Relocation and Assistance |
| o Special Requirements, if any
and Real Property
Acquisition | o Claims for advances and
Reimbursements |

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

(CONTINUED)

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the Authority, expended 99.86% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the Authority's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations. (See Schedule of Reportable Conditions).

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS

For the Year Ended December 31, 1995

REVOLVING FUND

o RECONCILING ITEMS

Condition

Our review of the Revolving Fund bank account reconciliation, revealed that reconciling items (interest earned) are not being recorded on a timely basis.

Recommendation

We recommend that the Authority implement procedures to timely record reconciling items.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

REVOLVING FUND

o **BANK RECONCILIATIONS**

Condition

Our review of the December 31, 1995 Blighted Properties bank account reconciliation, revealed the absence of any evidence of supervisory review of the reconciliation performed.

Recommendation

We recommend that the Authority implement procedures to insure that all bank account reconciliations are reviewed by supervisory personnel independent of the preparer.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

REVOLVING FUND

o **CASH DISBURSEMENTS**

Condition

Our review of cash disbursements revealed that the Authority was not properly cancelling invoices to prevent duplication of payment. In addition, we noted the absence of any clerical review of travel invoices prior to payment.

Recommendation

We recommend that the Authority take immediate action to implement procedures to resolve the above condition.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

HOUSING DEVELOPMENT COORDINATION AND PRODUCTION

o **SEGREGATION OF DUTIES**

Condition

During 1995 the account clerk who reconciles the bank accounts for the HDC&P Programs, had access to cash receipts.

Recommendation

We recommend that all bank accounts be reconciled by someone with no cash handling responsibilities and be properly reviewed by supervisory personnel, independent of the preparer.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

REVOLVING FUND

o **UNSUPPORTED TRANSACTION**

Our review indicated an unsupported amount of \$18,000 included in accounts payable.

Recommendation

We recommend that no transaction be recorded in the books and records of the Authority without proper supporting documentation and that the supporting documentation be retained in accordance with the Authority's document retention policy.

An audit adjustment was proposed to properly state accounts payable at December 31, 1995.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

ALL PROGRAMS

o **ACCOUNTING FOR INTERFUND BALANCES**

Condition

Various intercompany account balances are not properly identified and classified in the books and records of the Authority at December 31, 1995. In addition, we noted the untimely reconciliation and liquidation of interfund account balances.

Reclassification entries were proposed in the course of the audit to properly state intercompany accounts at December 31, 1995.

Recommendation

We recommend that all intercompany balances be properly classified and identified via their general ledger account description to facilitate intercompany account balance identification and reconciliation. Furthermore, the interfund account balances should be reconciled to the offset account at a minimum, on a quarterly basis, and liquidated as resources available allow for such.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED
For the Year Ended December 31, 1995

ALL PROGRAMS

o ACCOUNT BALANCE RECONCILIATIONS

Condition

Various general ledger account balances (primarily accounts receivables and accounts payables) were not analyzed and a detail maintained as to their specific composition at December 31, 1995 to the general ledger account balances.

Adjustments and reclassification entries were proposed to properly state general ledger account balances.

Recommendation

We recommend that all accounts receivable and accounts payable balances be reconciled periodically (quarterly at minimum) and that the reconciliation process include the specific identification of the composition of those accounts receivable and payable balances based on verifiable supporting documentation.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

ALL PROGRAMS

o **COLLATERALIZATION OF DEPOSITS**

Condition

The Authority has deposits in two (2) financial institutions that exceed the \$100,000 FDIC insurance coverage limit. However, we noted that the Authority is not monitoring whether the applicable institutions have the adequate collateral pledged to secure the deposits of the Authority that exceed FDIC coverage at December 31, 1995.

Recommendation

We recommend that the Authority institute the necessary procedures to monitor the adequacy of pledged collateral to secure those deposits of the Authority that exceed FDIC insurance coverage limits.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

For the Year Ended December 31, 1995

ALL PROGRAMS

o **OPERATIONS**

Condition

Currently, based on an agreement dated January 16, 1996 the New Orleans Home Mortgage Authority (NOHMA) manages all of NORA's functions and responsibilities including its programs, personnel and finances. However, currently the accounting function of NORA is handled independently of NOHMA's accounting function.

Several aspects of NORA's accounting functions (Section 8 Moderate Rehabilitation Fund activity and NORA's general ledger system) are either accounted for manually or on a separate computer system from the operations of NOHMA.

Recommendation

We recommend that NOHMA explore the feasibility of consolidating the accounting functions of NOHMA and NORA to more effectively supervise and manage the accounting function of NORA and to achieve any cost efficiencies from the consolidation of that function from a personnel and equipment perspective. Furthermore, consolidation of these functions would allow management to more closely supervise and monitor the financial operations of NORA.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED
For the Year Ended December 31, 1995

SOUTHWOOD PATIO PROGRAM

o **PROGRAM FISCAL YEAR-END**

Condition

Currently, the year-end for the Authority's programs is December 31. However, under an agreement with the Housing Authority of New Orleans (HANO), the Authority manages the Southwood Patio project which has a September 30, year end (project was previously managed by HANO).

Recommendation

To minimize the time effort and cost associated with the preparation of year-end financial statements, we recommend that management consider requesting a change in year end from the Department of Housing and Urban Development.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED
For the Year Ended December 31, 1995

SECTION 8 - MODERATE REHABILITATION PROGRAMS

o **COMPUTATION OF INTEREST EARNED ON OPERATING RESERVE**

Condition

The Authority currently reduces its earned annual contribution by the total amount of interest income earned without consideration of interest income earned on operating reserves invested.

Recommendation

We recommend that management evaluate the above condition with an aim toward insuring that all funds available to the Authority in the determination of annual contribution funds earned are captured in the calculation of such.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED
For the Year Ended December 31, 1995

ALL PROGRAMS

o **RESOLUTION OF UNIDENTIFIED ACCOUNTS/UNEMPLOYMENT
BENEFITS AND OLD OUTSTANDING OBLIGATIONS**

Condition

The Authority continues to have the following conditions affecting various general ledger accounts:

- The Authority continues to carry on its book amounts in accounts receivables and payables respectively dating back to 1989 that require resolution as to their validity;
- In a previous year the Authority withheld approximately \$23,059 from employees representing unemployment benefits previously paid to employees; and
- An analysis of general ledger account #20101 reflects various amounts to include refunds of federal and state taxes, insurance premiums, payments received from the Civil District Court, etc. that represent unidentified account balances.

Recommendation

We recommend that management review the above conditions with an aim toward resolution.

Management's Response

We concur and will implement this recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED
For the Year Ended December 31, 1995

COMMUNITY DEVELOPMENT REHABILITATION PROGRAM

o **CLOSE-OUT OF "REHAB" PROGRAM**

Condition

The "rehab" program activities were transformed to the City of New Orleans' Office of Housing and Urban Affairs in late 1986. To date, the necessary action and/or approval required to close-out the respective programs remains outstanding.

Recommendation

We recommend that the necessary approval, if applicable, be obtained and the close-out of the respective programs undertaken.

Management's Response

We concur and will implement the recommendation.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS, GRANTS, CONTRACTS AND REGULATIONS
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 71030

We have audited the combined financial statements of the New Orleans Redevelopment Authority (the Authority) as of and for the year ended December 31, 1995 and have issued our report thereon dated June 14, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-128 Audits of State and Local Governments. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

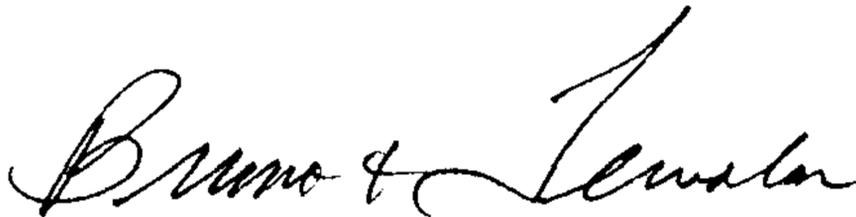
Compliance with laws, regulations, contracts, and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS, GRANTS, CONTRACTS AND REGULATIONS
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

The results of our tests disclosed an instance of non-compliance (Finding IV) which is required to be reported herein under Government Auditing Standards. In addition, the results of our procedures disclosed certain immaterial instances of noncompliance which are described in the accompanying Schedule of Findings and Questioned Costs.

We considered these instances of non-compliance in forming our opinion on whether the Authority's combined financial statements are presented fairly in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated June 14, 1996 on those financial statements.

This report is intended for the information of the management of the Authority and its regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Authority is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 71030

We have audited the combined financial statements of the New Orleans Redevelopment Authority (the Authority), as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996.

We have also audited the Authority's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; and claims for advances and reimbursement that are applicable to its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1995. The management of the Authority is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States, Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and the provisions of OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

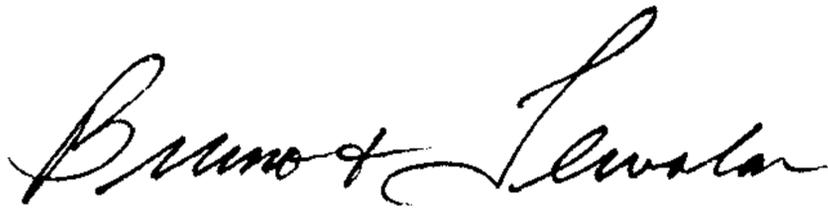
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

(CONTINUED)

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Authority complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting, and claims for advances and reimbursements that are applicable to its major federal financial assistance programs for the year ended December 31, 1995.

This report is intended solely for the use of the Authority's management and its regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Authority is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 71030

We have audited the combined financial statements of the New Orleans Redevelopment Authority (in and for the City of New Orleans) (the Authority), as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996.

We have applied procedures to test the Authority's compliance with the following requirements applicable to its major federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance for the year ended December 31, 1995:

General Compliance Requirements

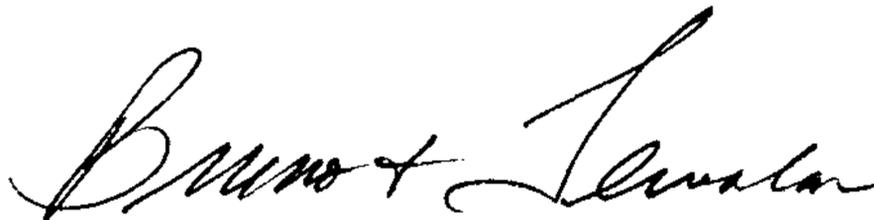
- | | |
|---------------------------------------|---|
| o Political Activity | o Cash Management |
| o Davis-Bacon Act | o Relocation Assistance and Real Property Acquisition |
| o Drug-Free Workplace Act | o Federal Financial Reports |
| o Civil Rights | o Administrative Requirements |
| o Allowable Costs/
Cost Principles | |

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(CONTINUED)

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Authority, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended solely for the use of the Authority's management and its regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Authority is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners
New Orleans Redevelopment
Authority
New Orleans, Louisiana 71030

We have audited the combined financial statements of the **New Orleans Redevelopment Authority (the Authority)**, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996.

In connection with our audit of the combined financial statements of the **Authority** and with our consideration of the **Authority's** control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995.

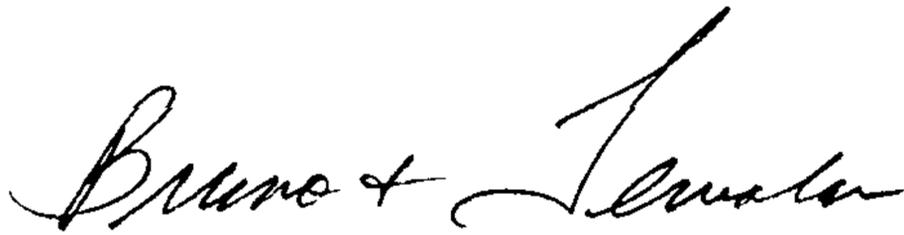
As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, and eligibility, that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the **Authority's** compliance with these requirements. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

(CONTINUED)

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Authority had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended solely for the use of the Authority's management and its regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Authority is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 1996

NEW ORLEANS REDEVELOPMENT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 1995

SECTION 8 MODERATE REHABILITATION PROGRAMS

FINDING - I - COMPLETENESS OF HUD FORM 52676 QUESTIONED COSTS

\$-0-

Our review indicated that the selected vacancy loss form (HUD-52676) was not completed correctly and the support for data and computations was not available.

Recommendation

We recommend that a detailed procedure be documented which should include steps to determine when owners are eligible for vacancy loss payments, the required support and the maximum payment amount as dictated by regulation.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
For the Year Ended December 31, 1995

SECTION 8 MODERATE REHABILITATION PROGRAMS
(CONTINUED)

FINDING - II - HOUSING ASSISTANCE
PROGRAM PAYMENTS AFTER
EXPIRATION DATE

QUESTIONED COSTS

\$-0-

We noted an instance where an owner received housing assistance payments subsequent to the contract expiration date.

Recommendation

We recommend that management implement the necessary procedures to insure that all Housing Assistance Payments are supported by a valid contract and disseminate that procedure to the appropriate personnel. Furthermore, a system should be developed to insure the timely review and tracking of all contracts prior to expiration.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
For the Year Ended December 31, 1995

SECTION 8 MODERATE REHABILITATION PROGRAMS
(CONTINUED)

FINDING - III - RENT REASONABLENESS

QUESTIONED COSTS

\$-0-

We noted three (3) instances in which the rent reasonableness checklist was not completed.

Recommendation

We recommend that management institute the necessary procedures to insure that all rent reasonableness determination are properly documented.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
For the Year Ended December 31, 1995

ALL PROGRAMS

**FINDING - IV - UNTIMELY SUBMISSION
OF AUDIT REPORT**

QUESTIONED COST

\$-0-

The Authority did not submit its December 31, 1995 audit report on a timely basis in accordance with Louisiana Revised Statute 24:513. The late submission was primarily due in part to a management change with NOHMA assuming the day to day management of the operations of NORA. Furthermore, the audit procurement and review process resulted in the execution and approval of an engagement letter by the Legislative Auditor on May 21, 1996.

Recommendation

We recommend that the necessary action should be undertaken by management to ensure and facilitate the timely procurement completion and submission of the Authority's annual audit report.

Management's Response

We concur and have implemented the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
For the Year Ended December 31, 1995

ALL PROGRAMS

**FINDING - V - NO ON-GOING DRUG AWARENESS
PROGRAM**

QUESTIONED COST

\$-0-

The Drug-Free Workplace Act requires, among other things, that the Authority take action to provide a copy of its policy statement to each grant employee; establish an on-going drug free awareness program in compliance with the requirements of the Act, etc.

We noted no on-going drug awareness program as required by the Act. However, we noted that a copy of the Authority's policy has been disseminated to all employees.

Recommendation

We recommend that the Authority insure compliance with the applicable requirements of the Act.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
For the Year Ended December 31, 1995

ALL PROGRAMS

**FINDING - VI - NO EXECUTED AGREEMENT WITH
FINANCIAL INSTITUTIONS**

QUESTIONED COST

\$-0-

Currently, the Authority does not have executed depository agreements with all its financial institutions.

Recommendation

We recommend that the Authority execute HUD Form 51999 with all financial institutions with which it has banking relationships to insure, at a minimum, the continuous collateralization of all funds and compliance with the requirements of the HUD Form 51999.

Management's Response

We concur and will implement the recommendation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATUS OF PRIOR YEARS' REPORTABLE CONDITIONS AND FINDINGS
For the Year Ended December 31, 1995

<u>DESCRIPTION</u>	<u>RESOLVED</u>	
	<u>YES</u>	<u>NO(*Repeated)</u>
1. Unauthorized checksigner. (Page 46)	X	
2. Change in F.Y.E. for Southwood Patio. (Page 47)		X*
3. G/L account reflects various unidentified amounts. (Page 48)		X*
4. Computation of interest earned on operating reserve. (Page 49)		X*
5. Close-out of "Rehab" program. (Page 50)		X*
6. Resolution of unemployment benefits. (Page 51)		X*
7. Old outstanding obligations. (Page 52)		X*
8. Detail composition of general ledger. (Page 53)	X	
9. No authorized signature on disbursement. (Page 54)	X	
10. Untimely liquidation of interfund receivables/payables. (Page 55)		X*
11. Old outstanding receivables and payables. (Page 56)		X*
12. Recordation of audit cost. (Page 57)	X	
13. Untimely submission of report. (Page 70)		X*
14. No adopted drug-free workplace policy. (Page 69)	X	

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATUS OF SECTION 8 MANAGEMENT REVIEW CONDUCTED BY HUD
For the Year Ended December 31, 1995

The following represents a status of the remaining outstanding findings included in the eight (8) findings noted during a management review conducted by HUD from November 12 through 17, 1992. Our review also revealed eight (8) observations.

Based on our discussions with management, it is our understanding that all observations noted have been resolved or are in progress as of June 14, 1996.

<u>FINDING NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>	<u>UNRESOLVED</u>	<u>IN PROGRESS</u>
II	Maintenance of a waiting list as required by 24CFR 882.209 and Handbook 7420.7			X
III	Conduct Rent Reasonableness Survey		X(1)	
VIII	Outstanding Independent Audit Recommendations		X	

(1) See current year audit finding.

NEW ORLEANS REDEVELOPMENT AUTHORITY

EXIT CONFERENCE

December 31, 1995

The findings and recommendations mentioned were discussed at exit conferences held with management on July 1, 1996.

NEW ORLEANS REDEVELOPMENT AUTHORITY

Mr. Mtumishi St. Julien	--	Managing Director
Mr. Rodney Lemon	--	Chief Financial Officer
Ms. Lisa Mazique	--	Assistant Manager

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Andoh	--	Senior Manager
Mr. Armand Pinkney	--	Audit Supervisor